

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

AUGUST 31, 1999

FROM: BARBARA L. MUSSELMAN
 Director of Human Resources

SUBJECT: **COUNTY OCCUPATIONAL HEALTH PROGRAM**

RECOMMENDATION:

1. Approve Amendment No. 1 to Agreement 98-61 with Total Health and Productivity, Inc. for the deletion of Medical Director services, the deletion of medical oversight services, and the reduction of related consulting services.
2. Approve an Independent Services Contract with Perna Mona Khanna, M.D., MPH to serve as Medical Director for the San Bernardino County Center for Employee Health and Wellness.
3. Approve Amendment No. 1 to Services Agreement 97-167 with Loma Linda University to delete pre-employment testing which includes audiograms; resting EKGs; treadmill stress EKGs; and cardiologist interpretation and review of resting and stress treadmill EKG and to amend indemnification language.
4. Approve Services contract with Loma Linda University for providing pre-placement treadmills and audiometric testing services and peer review physician services to the Center for Employee Health and Wellness.
5. Approve Affiliation Agreement between Loma Linda University and San Bernardino County for providing clinical education in occupational medicine to Loma Linda University physicians at the Center for Employee Health and Wellness.

These programmatic modifications are adjustments to meet the increased demands on the County's Occupational Health program. The proposed recommendations in this Board Action will help the Program continue to deliver quality and cost effective medical and occupational/preventative health services. These services are essential to the County's overall goal of reducing employee absences caused by injury and an unhealthy workforce.

BACKGROUND INFORMATION: On February 3, 1998, the Board of Supervisors approved a restructure of the County's Occupational Health Program by developing the Center for Employee Health and Wellness (Center). The Board took this action as a result of an organizational evaluation of the Occupational Health Program performed by an external occupational health consulting firm. The evaluation reported the Program, at that time, was marginally functional and needed significant improvement in both its cost effectiveness and service delivery functions. Examples of the Program's major deficiencies included: No oversight of its medical services by qualified occupationally trained medical practitioners, lack of treatment and follow-up of ill/injured employees, and no support to departments managers/supervisors with workplace health issues.

blm

Record of Action of the Board of Supervisors

August 31, 1999

COUNTY OCCUPATIONAL HEALTH PROGRAM

Page Two of Four

Recommendation #1 As part of the restructure, the Board approved a three-year services agreement with Total Health and Productivity, Inc. (THAP!). The agreement included: (1) recruiting the Center's Medical Director as an employee of THAP!; (2) providing periodic medical oversight for the Center's medical staff; and (3) providing consulting services for developing cost effective Center operations, including the establishment of best practice policies and procedures. In conformance with the agreement, THAP! recruited and contracted with Perna Mona Khanna, M.D., MPH to serve as the Center's Medical Director from July 13, 1998 through August 31, 1999, with a second year option thereafter. This recommendation will amend the current agreement with THAP! by eliminating the cost of the Medical Director for the 2nd and 3rd years of the Agreement, \$175,000 and \$180,000 respectively, and reducing consulting services related to supervision, medical oversight of Dr. Khanna by THAP!, and performance monitoring of the Center by \$25,000 for each year remaining on the agreement. The net effect with respect to the THAP! Agreement is to reduce year 2 (fiscal year 99-00) costs by \$200,000 and year 3 (fiscal year 00-01) costs by \$205,000.

Recommendation #2 will create a two-year independent services contract with Perna Mona Khanna, M.D., MPH for \$180,000 in the first year and \$195,000 in the second year.

In July 1998 Dr. Khanna was selected as the clinic's Medical Director. Subsequently, the County's Occupational Health Program has increased its clinical services to departments and employees by 43%. Further, Dr. Khanna has brought a number of other accomplishments to the Center and the County's Occupational Health Program during the past year. She has developed an excellent working relationship with County departments, assisting them in working through many of their employees' difficult and complex health issues. She has inspected a number of the County's facilities to assess potential workplace hazards and has recommended corrective action where needed. She has also developed strong working and peer relationships with both LLU and ARMC and will be serving as a core faculty member for Loma Linda's Occupational Health and Preventative Medicine Residency programs. By adding the treatment of occupational injuries and enhanced fitness for duty examinations to the Center's services, Risk Management recently reported Dr. Khanna has saved over \$50,000 in treatment and examination costs between October 1998 and June 1999. It is important to note these are first-time, direct cost savings that are expected to significantly increase over time as more departments refer employees to the Center's medical services. Dr. Khanna has completed residencies in three medical specialties, e. g., Internal Medicine, Preventative Medicine and Occupational Health Medicine. She is either board certified or board eligible in all three.

This proposed two-year agreement with the County has been constructed to closely resemble the THAP! agreement. It provides for a total compensation (excludes any payment of benefits or retirement) of \$180,000 for the first year and \$195,000 for the second year as an independent contractor (vendor) to the County. These amounts are consistent with the cost of hiring a comparably credentialed Occupational Health Director as an employee with a salary of approximately \$142,000 and \$150,000 for the next two years plus 30% for employee benefits.

Recommendation #3 will amend the current agreement with Loma Linda University (LLU) by deleting pre-employment testing from the fee schedule (Exhibit A, Agreement 97-167) and amending indemnification language. The rest of the agreement will remain intact. The services deleted in this amendment are included in the new contract with LLU as outlined in recommendation #4.

August 31, 1999

COUNTY OCCUPATIONAL HEALTH PROGRAM

Page Three of Four

Recommendation #4 will authorize the Center to enter into an agreement with Loma Linda University to provide ancillary medical services which will include electrocardiograms, treadmills and audiometric tests that are ordered by the Center medical staff as part of a comprehensive pre-placement or fitness-for-duty examination. These services will be provided by LLU's Center for Health Promotion and will be in full compliance with the Occupational Safety and Health Administration (OSHA) requirements. The services are provided mainly to individuals in or being considered for specific Safety positions. In the previous year, Loma Linda University performed approximately 600 treadmill and audiometric examinations for the Center. Beginning in September 1999, the Center will begin reducing the number of audiometric examinations performed by Loma Linda by approximately 50 percent over the next year. The Center's clinic assistant, who is also a registered audiometrist, will begin assuming this workload as time permits. It is anticipated the number of treadmill/EKG examinations performed by Loma Linda University, however, will increase slightly over the next two to three years depending on the hiring patterns of the County departments with Safety positions. Loma Linda's fees for these services have not changed since 1986. Subsequently, the current fee for a combined treadmill and audiometric exam of \$138 will increase slightly with the approval of the new Services Agreement. Specifically, the fee for a treadmill and EKG exam will cost \$135 and the audiometric exam will cost \$10, for a total cost of \$145 if both tests are performed by LLU. It should be noted there are only four other local sources for the treadmill and EKG exams. The costs quoted by these sources range from a low of \$175 to a high of \$503. Subsequently, the department recommends the County continue using LLU for these services.

In addition, Loma Linda University will now provide peer review physician services for the Center for Employee Health and Wellness. Loma Linda University currently has a Preventative Medicine Residency Program with instruction in Occupational Medicine, with plans to begin a fully accredited Occupational Medicine Residency Program in July 2000. In addition to her full-time responsibilities as the Medical Director for the County's Center for Employee Health and Wellness, Dr. Mona Khanna will be serving as one of the core faculty members in training Loma Linda's resident physicians in Occupational Health Medicine. She will be joining Loma Linda's current faculty of physicians internationally recognized for their expertise in Occupational and Preventive Medicine. In return for the participation of the Center's Medical Director as a core faculty member, LLU will provide Peer Review Services by their physician experts in Occupational and Preventive Medicine to Dr. Khanna and the other medical staff at the Center. Peer Review Services by LLU will heighten the Center's credibility in delivering best medical practices and ties its operations inexorably to the fundamental concepts of modern science consistently upgrading the Center's services to industry standards. This will ensure the highest quality of Occupational and Preventative Health Care is provided to employees by the Center staff.

Recommendation #5 will create a mutually beneficial public/private partnership between the Center and Loma Linda University, Schools of Public Health and Preventative Health, for facilitating an exchange of medical and educational services. In a fully-functional, interdependent integrated system, the medical direction and activities of the Center can significantly impact the ability of the County to manage the costs of spiraling work-related illnesses and injuries, as well as ensure that County employees receive timely, quality care. However, two years after the reorganization of the County's Occupational Health Unit into the Center for Employee Health and Wellness, the Center has reached the ceiling of its ability to further impact these events because of a limited local-based physician workforce with medical expertise in occupational medicine. Accordingly, the Department recommends establishing a partnership with both LLU and the

August 31, 1999
COUNTY OCCUPATIONAL HEALTH PROGRAM
Page Four of Four

Arrowhead Regional Medical Center (ARMC) for training their respective residents in Occupational Health Medicine. As many of these residents will be future practicing physicians in the area, they will be seeing County employees for work-related injuries and return-to work assessments. The opportunity to teach occupational health practices as part of their training enables the future community physicians to learn how to appropriately take an occupational history and manage occupational-related issues. In addition, establishing the Center as an occupational health training site provides the potential for the County to apply for academic and foundation grants to further enhance its employee injury and prevention services.

The Center has on a continuing basis used the services of LLU as a referral source for cardiovascular diagnostic testing. Human Resources now desires to expand the relationship with Loma Linda University so the Center may serve as one of the training sites for Loma Linda's Preventative/Occupational Medicine physicians. The training will occur on site at the Center, thereby also providing needed medical assistance with the core functions of occupational health services. These core functions include: pre-placement physical examinations; work-related injury and illness care; medical surveillance of workplace health; fitness-for-duty assessments; consultative services to department managers and supervisors; periodic monitoring of work environments for controlling workplace injuries and illnesses; work site health education and promotion activities; and referrals to outside medical specialists as needed. In addition, the resident physicians, who have also had training in epidemiology and statistics, will provide analytical support needed for assessing the effectiveness and ongoing continuous quality improvement of County occupational health services. In return for these services, the County will pay between \$19.58 and \$20.32 per hour per part-time resident physician. As there is a dearth of occupationally trained physicians to assist the Center with peak workloads and specialized medical services, it is anticipated that physicians who complete the residency training program will also be available to provide the County with a source of qualified, occupationally trained physicians, as needed on a part-time basis. It should also be noted the Center is currently developing a memorandum of understanding with ARMC to facilitate rotating ARMC's Family Practice residents through the Center. This program will be a three-week elective course for Family Practice residents desiring training in occupational medicine at no cost to the Center. It is expected the program will begin in the fall of this year.

REVIEW BY OTHERS: All contracts have been reviewed by Deputy County Counsel, W. Andrew Hartzell, and by the County Administrative Office.

FINANCIAL IMPACT: The amendment to the THAP! Agreement will result in decreased costs of \$200,000 in the second year of the agreement (fiscal year 99-00) and \$205,000 in the third year of the agreement (fiscal year 00-01). The independent services contract with Perna Mona Khanna, M.D., MPH will result in increased costs of \$180,000 in fiscal year 99-00 and \$195,000 in FY 00-01. The affiliation agreement with LLU will result in increased costs of \$22,000 in fiscal year 99-00 and \$22,000 in FY 00-01.

The net effect is an increase of \$2,000 in fiscal year 99-00 and \$12,000 in fiscal year 00-01.

SUPERVISORIAL DISTRICT(S): ALL

PRESENTER: Barbara L. Musselman, Director of Human Resources, 387-5570